

Ad Hoc Telecommunications Users Committee
Ex Parte Presentation
CC Docket no. 96-45

1. Special Access

- Ad Hoc historically accepted application of USF surcharges on special access connections, despite the “double taxation” effect.
- *BWIA* order would not impose USF surcharges on broadband connections used for Internet access; not limited to DSL.
- The Commission must anticipate that FiOS like services will be used increasingly.
 - FiOS connections exceed the capacity of many special access connections.
 - USF surcharges might only apply to telephone numbers associated with services provisioned over FiOS connections.
- Special Access connections support Internet access, voice and other applications – just like FiOS.
 - Pricing could be bundled, or not.
 - No rational way to allocate bandwidth or to impute revenues to various services.
- USF surcharges should apply only to telephone numbers associated with services provisioned over special access.
- Excluding “special access” connections is worth 8¢ per number per month according to ICF.
- All broadband (special access) connections should be exempted.
 - If broadband connections are assessed, they should be assessed at levels contained in original CoSUS plan
- CTIA proposal would not only would assess special access connections, but would do so at an excessive level
 - Proposes use of *weighted connections* based upon Staff proposal

	<u>Staff</u>	<u>CoSUS</u>
DS0 =	1 unit	1 unit
DS1 =	16 units	5 units
DS3 =	224 units	40 units
OCn =	336 units	40 units

- To the extent it contains a residual component, that is also a problem
- Staff tiers over-assess broadband special access connections, and will introduce uneconomic market distortions
 - Will impact cross-over points between broadband services of different speeds

2. Wireless Family Plans and Low Volume

- Proposals to discount the USF assessments on additional phones on wireless “family plans” are without merit.
 - Some “additional” wireless phones may incur higher usage charges than lower volume users not utilizing family plans.
 - Rate shock arguments are specious coming from vendors who impose significant “overage” charges.
- Proposals to discount USF assessments on low volume users are without merit.
 - No persuasive evidence that low volume users are low income users.
 - Usage levels can vary from month to month. Family emergencies, other tragedies and other events could result in low volume users being hurt badly if they continue to be assessed on a revenue basis.
 - Numbers-based assessments would be predictable.
 - Impact of inter-carrier compensation reform has been overlooked.
 - Lifeline subscribers would pay no USF charges under a numbers-based assessment methodology
 - Residual problem